

S/027/0093
Peter



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 E 500 N

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



IN REPLY REFER TO:
3809 (UTW02000)
UTU-86063

RECEIVED

MAR 19 2014

March 13, 2014

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL # 7012 3460 0000 6633 1028
RETURN RECEIPT REQUESTED

David Penney
Penney's Gemstones
P.O. Box 312
Beaver, Utah 84713

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43 CFR 3809 - Surface Management
Plan of Operations

Plan of Operations Revision Incomplete

Your proposed mining Plan of Operations (Plan) revision was received by the Fillmore Field Office (FFO) of the Bureau of Land Management (BLM) on December 12, 2013. Your Plan site is located in aliquot parts of sections 3 and 10, Township 25 South, Range 15 West, Salt Lake Meridian. The new Plan is a revision to the Plan previously submitted to the BLM. The previously proposed Plan iteration was assigned BLM case file number UTU-86063 on January 17, 2008. Please refer to this number in future correspondence until a new case file number is assigned for this most recent operations proposal.

The corresponding Utah Division of Oil, Gas and Mining (UDOGM) case file number is S/027/0093. UDOGM notified you on January 22, 2014 that your "Notice of Intention to Commence Small Mining Operations" submission to that agency was deficient by UDOGM's standards and requirements. In order to receive approval from either the BLM or UDOGM, your mining proposal must meet the requirements of both agencies, including the reclamation bond requirements. The BLM in Utah will require UDOGM approval before issuing BLM approval.

As required in the Code of Federal Regulations (CFR) at 43 CFR §3809.411(a), the BLM has performed an initial review of your proposed Plan of Operations. As stated in 43 CFR §3809.401(a), the BLM does not require that the Plan be on a particular form, and therefore the form used by UDOGM in Utah is an acceptable format.

Please note that the BLM case file number on the submitted UDOGM form, UTU-70660, refers to an exploration Notice at a different location which expired on January 20, 2005. Once a BLM Notice has expired, it cannot be renewed or amended, and the only allowed activity is

reclamation. A BLM case file, UTU-86063, was established on January 17, 2008 for a pending Plan of Operations to mine at the 'Littel Spot' location. Please refer to BLM case file number UTU-86063 in your correspondence until a new BLM case file number is assigned.

Based on our initial review of your filing, we have determined your Plan contains most elements required for completeness, but it does not contain all information items required by the BLM surface management regulations at 43 CFR §3809.401(b). The following information must be provided in order for your Plan revision to be complete:

1. Maintenance and Public Safety – as indicated in 43 CFR §3809.420(13), hazardous sites or conditions resulting from operations shall be marked by signs, fenced, or otherwise identified to alert the public in accordance with applicable Federal and state laws and regulations. The mine site, both during periods of operation and non-operation, should be marked with signs and warnings to indicate hazards to the public.
2. Interim Management Plan – as specified in 43 CFR §3809.401(b)(5)(i), your information must include descriptions of measures to stabilize excavations and workings. Your revision includes generic specification of backfilling of quarry cuts, but does not address stability of soil piles, stockpiles, and waste rock piles at the site.
3. Interim Management Plan – as specified in 43 CFR §3809.401(b)(5)(v) and (vi), you must describe plans for monitoring site conditions during periods of non-operation, a schedule of specific anticipated periods of temporary closure, and provisions for notification to the BLM for unplanned or extended closure periods. Please provide a schedule for regular site visits during closure periods. Please also describe steps to be taken if degradation such as excessive erosion is found.
4. Description of Operations – as specified in 43 CFR §3809.401(b)(2), please completely describe all power equipment to be used in the operation. Will power equipment other than a tracked excavator, trammel, and conveyor be used?

Also, as specified in 43 CFR §3809.401(b)(2)(viii), describe the access road and reclamation methods. The access road has been in existence for some time, but reclamation measures may be required because it leads only to your mine site and is used primarily to reach the mine from the County-maintained gravel road;

5. Reclamation Plan – As specified in 43 CFR §3809(b)(3), you must provide a comprehensive Reclamation Plan with your Plan of Operations proposal. The Reclamation Plan must include detailed information:
 - a. As required in 43 CFR §3809(b)(3)(ii), for your regrading and reshaping plans;
 - b. As required in 43 CFR §3809(b)(3)(ii), for your topsoil handling plans. Your UDOGM form submission indicates that 'salvaged topsoil' would be replaced on the backfilled cut area, but it does not describe the stockpile dimensions or detailed redistribution plans;

- c. As required in 43 CFR §3809(b)(3)(iii), for your mine reclamation plans. As required by this section, please include information on the feasibility of pit backfilling that details economic, environmental, and safety factors;
- d. As required in 43 CFR §3809(b)(3)(vii), for your revegetation plans. For example, do you plan to scarify or rip your regraded surface disturbance areas to enhance plant growth establishment? Do you plan to re-seed by the broadcast or drill methods? The broadcast method normally requires twice as much seed as the drill method; and
- e. As required in 43 CFR §3809(c)(2)(d), for your Reclamation Cost Estimate (RCE). You must submit an estimate of the cost to fully reclaim your operations. As described in 43 CFR §3809.552, your RCE must cover the estimated cost as if the BLM were to contract with a third party to reclaim your operations according to the reclamation plan, including construction and maintenance costs. After receiving your RCE, the BLM will consult with UDOGM to determine a final reclamation cost and will notify you of the results.

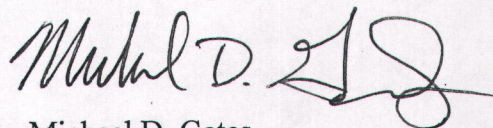
UDOGM has provided a current schedule of its reclamation surety costs in its letter to you on January 22, 2014. When calculated for the specific requirements of your Littel Spot site, an initial reclamation cost estimate based upon this schedule will satisfy the BLM requirements of 43 CFR §3809(c)(2)(d) in Utah.

Until a complete Plan revision with the additional information is filed with this office, BLM is unable to determine if your proposed operations will result in unnecessary or undue degradation as defined under 43 CFR §3809.5.

Please submit the required information at your earliest convenience. Until we receive this information, your Plan revision cannot be completely processed and all mining activity at this site is prohibited.

If you have any questions, please contact Duane Bays, BLM-FFO Natural Resource Specialist, at (435) 743-3115.

Sincerely,



Michael D. Gates
Field Manager

Enclosure: CFR §3809 Regulations

cc:

Paul Baker

UDOGM

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